



To: SCCBC Board of Directors

From: Robert Singleton, Executive Director
Josie Buchanan, Marketing and Content Manager

RE: Endorsing Senate Bill 50

Overview:

During the January 2019 Board of Directors Meeting of the Santa Cruz County Business Council, SCCBC staff presented an overview of Senate Bill 50: Planning, Zoning, and Equitable Communities Incentive, which is an amendment to State Density Bonus law that allows eligible projects to receive waivers from local height, density, and parking restrictions. Project eligibility is defined by specific areas that are deemed either “transit” or “jobs” rich. Upon hearing the presentation, the SCCBC Board gave direction to review the legislation in Committee, and return to the Board with a recommendation to adopt a formal position.

SCCBC Staff have since met with representatives of California YIMBY, the statewide advocacy organization who is partnering with local organizations to draft the legislation and get it adopted, for the purposes of relaying specific language which could better apply to smaller communities like Santa Cruz. Following multiple meetings, the Business Council then held a special committee meeting last week (2/14) to provide feedback directly to California YIMBY Staff, and address key areas of concern that we might have in supporting SB50. **This memo provides a summary of that which was discussed.**

Ultimately, both SCCBC members present and staff believe that the Santa Cruz County Business Council should adopt a formal position supporting Senate Bill 50 in principle, with the expectation that we will also advocate for changes to the legislation where appropriate, to better fit the scale, values, and character of Santa Cruz County.

Background:

On December 3rd, 2018 State Senator Scott Weiner (D-San Francisco) introduced Senate Bill 50. The Planning, Zoning, Housing Development, and Equitable Communities Incentive. The bill proposes to increase minimum zoning near “transit rich” and “jobs rich” areas through an amendment to the State’s Density Bonus Program.



“This bill would require a city, county, or city and county to grant upon request an equitable communities incentive when a development proponent seeks and agrees to construct a residential development, as defined, that satisfies specified criteria, including, among other things, that the residential development is **either a job-rich housing project or a transit-rich housing project**, as those terms are defined; the site does not contain, or has not contained, housing occupied by tenants or accommodations withdrawn from rent or lease in accordance with specified law within specified time periods.”¹

The zoning standards to be applied, as well as the anti-displacement and sensitive communities exemptions to be used, are still subject to discussion and further legislative definition. Furthermore, It is understood by the bill authors that a “one size fits all” approach will not work for all communities in California, and thus additional direction is being sought from smaller communities, like Santa Cruz County, to help further define what is appropriate.

SCCBC Staff have met with representatives from California YIMBY, which is the main advocacy organization supporting the legislation and working to get it passed, to discuss how a community the size of Santa Cruz County will potentially be affected by the legislation. In response to their asking for an endorsement position from the Business Council, SCCBC staff have asked for a specific opportunity to define how these automatic upzoning might be written to be more in line with our community's unique values.

Discussion/Summary of SCCBC Special Committee:

Transit Rich

- The only bus routes that qualify currently as “high quality bus corridors” under SB50 now are the 15 and 16 that run to/from UC Santa Cruz and downtown.
 - However, various plans and agencies (AMBAG) have already used that specific terminology to define other bus routes as being ‘high quality”, **our committee felt that these should also be counted.**
 - The already defined “high quality bus corridors” should only be counted if they have had *5 years of existing service.*
- Planned Rail/Ferry Terminals **should not be counted until they have received a building permit locally.**
- Transit Agency should not become de facto zoning agency

¹ California Legislative Counsel’s Digest



Jobs Rich

- Our Committee felt strongly that “jobs rich” areas be defined based upon existing data, so as to ease compliance.
- Core focus should be on jobs versus housing units imbalance
- Existing Commercial and Industrial zones should be prioritized for “jobs rich”, specifically we identified downtown Santa Cruz, 41st Avenue, Swift/Delaware, and Soquel Avenue
- Additional consideration should be given to areas where over 50 percent of the residents in a given area are “rent burdened”²

Anti-displacement Language, Other Considerations

- Seven year restriction on existing tenants preventing a parcel from being eligible is too stark for a community like Santa Cruz
- There should be a buyout ability that is still significant
 - 2 years of rent cash buyout if there has been a tenant within past three years, or wait full seven years
- Sensitive Communities designation should be used to help prepare planning staff.
- Prevailing wage needs to be determined and set before a project applies for equitable communities incentive and should be locked in to ensure consistent project costs where possible

Recommendation:

That the Santa Cruz County Business Council formally adopt a “support” position in principle on Senate Bill 50, and that staff be directed to draft a letter outlining our position, with our commentary and specific feedback, for the purposes of distributing to our elected officials and partner organizations.

² Federal rent burden standard is over 30 percent of monthly income, local City of Santa Cruz Standard is over 40 percent.